

APPOINTMENT OF AND FIRST REPORT OF HALIFAX RELIEF
COMMISSION, 1918.

[49]

CERTIFIED copy of a Report of the Committee of the Privy Council, approved by His Excellency the Governor General on the 22nd January, 1918.

P.C. 112.

MONDAY, March 18, 1918.

The Committee of the Privy Council have had before them a report, dated 15th January, 1918, from the Right Honourable the Prime Minister, with reference to the recent appalling disaster at Halifax, occasioned by the explosion of a very large cargo of munitions of war, laden upon the steamer "Mont Blanc," which was awaiting convoy in the harbour. Whether or not the explosion was due to hostile design there can be no doubt that it was an emergency of the war, and that the inhabitants of the city of Halifax and the town of Dartmouth have suffered incalculable losses by reason of the dangerous traffic which the necessities of the war, through no agency or solicitation on their part, have brought to the port.

The Prime Minister observes that Your Excellency in Council has already appropriated the sum of five million dollars for the purpose of relief to those who have suffered by the explosion, and that the sum of one million pounds has been appropriated by the Government of the United Kingdom for a like purpose. There have also been many private contributions in Canada, in the United States and elsewhere. The aggregate amount which has thus been raised, while inadequate to provide indemnity for the material losses which have been suffered, has nevertheless reached a very large sum, and seeing that it is intended for the relief from loss occasioned directly through the exigencies of the war, it would appear that its proper administration may not inappropriately be provided for by Your Excellency's Government in the exercise of the powers conferred under the War Measures Act of 1914.

The Prime Minister further observes that it is desirable, under all powers for that purpose vested in Your Excellency in Council, to appoint a commission to act in the premises, with the powers and duties hereinafter set forth.

The Prime Minister, therefore, recommends that T. Sherman Rogers, one of His Majesty's counsel, and William B. Wallace, judge of the County Court, both of the city of Halifax, and Frederick Luther Fowke, of the city of Oshawa, gentleman, be appointed commissioners under the name of the Halifax Relief Commission, with power to take over and receive all unexpended moneys and undistributed goods contributed from any source and in any manner for the relief of the sufferers or restoration of the property destroyed or damaged by the explosion, and to expend and distribute the same equitably for the general purposes for which they were supplied, and to receive, subject to the same powers and for the same purposes, any further contributions which may come to hand; the application or distribution of these moneys and supplies to be in the discretion of the commission, subject to the direction of Your Excellency in Council; that the said T. Sherman Rogers shall be the chairman of the said commission, and that a majority of the members of the commission shall constitute a quorum for the transaction of business;

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That the commission shall deposit all moneys received by it in a chartered bank in the province of Nova Scotia, and shall keep proper books of account and records of its proceedings:

Provided that, except for fraudulent acts or fraudulent omissions, the commission shall not, nor shall any of the commissioners, be liable or in any way answerable for any of the acts, errors, or omissions of the commission, or of any of its members, officers, employees, or agents.

The Prime Minister further recommends that the commission shall enquire and report to Your Excellency with the least possible delay respecting the following matters:—

First: As to the amounts presently available for aid and relief to those who have suffered by the disaster aforesaid and for the restoration of the property destroyed.

Second: As to the additional amount necessary for the purpose aforesaid, and the sources from which any additional aid may be anticipated, other than a further appropriation by Your Excellency's Government.

Third: As to any further aid, which, having regard to the circumstances aforesaid ought to be appropriated by Your Excellency's Government for the purpose of aid and restoration.

Fourth: As to any legislation, whether by the Federal Parliament or by the Provincial Legislature, which may be necessary for the purposes hereinbefore expressed.

Fifth: As to any other matters touching the relief of those who have suffered from the disaster and as to the restoration of that part of the city which has been destroyed, upon which the commission may deem it advisable to express their conclusions to Your Excellency's Government.

The Prime Minister further recommends that the commission for the purposes aforesaid shall be invested with all the powers that could be conferred under The Inquiries Act, Part One.

The Prime Minister further recommends that the commission be invested with power to appoint a secretary and such other necessary officers as it may determine, to engage counsel and solicitors, to obtain the services of persons possessed of technical or expert knowledge, in respect to any matters requiring attention or action by the commission, and generally to undertake, do and perform all acts, matters and things which may be necessary for the purpose of carrying out the duties entrusted to the commission.

The Prime Minister further recommends that the remuneration to be paid to the persons so employed or engaged by the commission shall be determined by the commission, subject to the approval of Your Excellency in Council, and shall be paid out of any funds under the control of the commission.

The Prime Minister further recommends that the members of the commission shall receive such remuneration for their services as may hereafter be determined by Your Excellency in Council.

The committee concur in the foregoing, and submit the same for approval.

RODOLPHE BOUDREAU,

Clerk of the Privy Council.

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CERTIFIED copy of a Report of the Committee of the Privy Council, approved by His Excellency the Governor General on the 9th March, 1918.

P. C. 576.

The Committee of the Privy Council have had before them a report, dated 8th March, 1918, from the Right Honourable the Prime Minister, calling attention to the Order in Council approved on the 22nd January, 1918 (P. C. 112), by which the Halifax Relief Commission was constituted for the purposes therein mentioned.

The Prime Minister observes that an interim report, bearing date the 1st day of March, 1918, has been received recently from the commissioners. The chairman of the commission, Mr. T. S. Rogers, K.C., has also attended for the purpose of giving additional explanations with respect to the matters therein set forth. A copy of the report is hereto appended.

It appears therefrom that the amounts already received or appropriated for the purpose of relief aggregate about \$13,000,000, including the sum of \$5,000,000 appropriated by Your Excellency in Council, of which \$1,000,000 has already been paid. The Government of the United Kingdom has appropriated the sum of £1,000,000 sterling, and it is anticipated that the public subscriptions will aggregate not less than the sum of \$3,000,000.

For the immediate support and maintenance of families deprived of their bread-winners, in the maintenance of emergency hospitals and shelters, in the provision of medical supplies and attendance and for the burial of the dead, the construction of temporary abodes and various other forms of relief, there has been expended the sum of \$2,824,700. The commissioners estimate that for like purposes a further sum of \$1,175,300 will be required during the remainder of the calendar year. These two sums constitute a total expenditure of about \$4,000,000 for the purposes above mentioned.

The Prime Minister calls attention to paragraph 9 of the report, which sets forth the estimate of material damage to property in the city of Halifax, the town of Dartmouth and the surrounding district. That paragraph is in the following terms:—

“9. This appraisal, which includes damaged property in the whole affected district—the city of Halifax, town of Dartmouth, and portions of the surrounding municipal districts—is as follows:—

Dwelling houses destroyed and damaged.....	\$ 6,476,000
Contents	3,330,000
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	\$ 9,806,000
Schools	342,000
Churches	1,090,000
Charitable and other public institutions.....	222,000
Business properties and merchandise.....	1,041,000
Municipal and public buildings.....	105,000
Manufacturing plants and “specials”.....	3,420,000
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	\$16,026,000

“The estimate of the damage to churches and manufacturing plants had been in part made by other appraisers before the appointment of the Board of Appraisal and owing to the importance of the prompt submission of this report these estimates were considered by the board to be sufficiently correct for present purposes, but your commissioners have satisfied themselves that the losses in respect of these two classes of property will be found to be considerably less than the amount indicated by these estimates, and they feel safe in stating that the direct material loss occasioned by the disaster to the classes of property covered by the appraisal is not likely to exceed the sum of \$15,000,000.”

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This estimate does not take into account the destruction of property of the Federal Government, or the loss to shipping in the harbour of Halifax.

The Prime Minister further calls attention to the 12th paragraph of the report, which is referred to in the commissioner's recommendations. That paragraph is as follows:—

“12. Your commissioners are of the opinion that in view of the circumstances surrounding the events of December 6th and in this report further alluded to the victims of the disaster should eventually be provided for on the general basis of the Orders in Council establishing Military Pensions, and your commissioners suggest that they be permitted to provide reasonable allowances during the current year with a view to the gradual adjustment of such allowances to the basis of that Act, and that they be authorized to make an announcement to the effect that dependents will be provided for accordingly, subject to such modifications as may hereafter be deemed wise after due investigation by your commissioners and upon further report.”

The chairman of the commission has reported orally that probably eighteen hundred persons lost their lives through the disaster, and that the number may reach, or even exceed, two thousand when full and accurate information will have been obtained.

The Prime Minister observes that after a conference with the chairman of the commission he is of opinion that the policy of the Government with respect to further appropriations for relief to those suffering by the disaster ought to be announced without delay.

Although no legal liability rests upon the Crown, nevertheless it is beyond question that the explosion of the very large cargo of munitions of war laden upon the steamer *Mont Blanc* was an emergency of the war from which the inhabitants of Halifax, Dartmouth and the surrounding district have suffered incalculable losses. The steamer *Mont Blanc* at the time of the explosion had resorted to the harbour of Halifax for the purpose of convoy, and this steamship, like other steamships similarly laden, was using the harbour of Halifax in pursuance of the common purpose of the Allied Nations in carrying on the war. These considerations make it incumbent upon the Federal Government to provide reasonable and even generous relief for those who have suffered through the necessities of the war, without their own default, and indeed without adequate knowledge of the danger to which they were exposed in the utilization of the facilities of the port of Halifax for the common purpose of the Allied Nations.

The Prime Minister calls attention to the recommendations set forth in the seventeenth paragraph of the report and recommends that as a reasonable measure of relief the commissioners be authorized to undertake the care of the dependents of those killed or disabled by the disaster and to provide reasonable compensation to the injured upon the principle and in accordance with the suggestions set forth in the 12th paragraph of the report.

With respect to the second recommendation, the Prime Minister observes that without accepting the principle of restitution it is, nevertheless, both reasonable and desirable that the commission should be invested with wide authority as to the measure of relief to be accorded in each instance. Especial consideration should be given to the claims of labouring men, mechanics and small householders and other persons similarly situated. In many instances the losses of such persons, while not considerable in themselves, represent the savings of a lifetime. Larger losses might be more easily borne by persons possessed of ample means and not materially affected by the disaster.

The Prime Minister therefore recommends as to the direct and substantial material losses alluded to in the second paragraph of the commission's recommendations:—

(1). That the commissioners be authorized to pay in full all claims duly established to an amount not exceeding the sum of \$5,000 on behalf of any one person, but

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in exercising this authority the commissioners shall have a full and absolute discretion and shall take into consideration the circumstances in each instance.

(2). That in respect of amounts exceeding the sum of \$5,000, the commissioners should be invested with full and absolute discretion to deal with each duly established claim, upon the principle of just and reasonable relief, having regard to the considerations hereinbefore expressed and to all the circumstances which in their judgment ought properly to be taken into account.

The Prime Minister further recommends that Your Excellency in Council should concur in the recommendations set forth in the third and fourth sub-paragraphs of the seventeenth paragraph aforesaid.

The Prime Minister further recommends that Your Excellency in Council should undertake the duty of presenting to Parliament such appropriations as may be necessary for the purpose of carrying into effect the recommendations hereinbefore contained, but that the commission unless further authorized by Your Excellency in Council should not undertake or incur an expenditure which would call for an appropriation of more than \$7,000,000, in addition to that already made, that is to say, the sum of \$12,000,000 in all.

The committee concur in the foregoing and submit the same for approval.

RODOLPHE BOUDREAU,

Clerk of the Privy Council.

FIRST REPORT OF HALIFAX RELIEF COMMISSION, MARCH 1, 1918.

FIRST REPORT.

TO HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL:

1. Your Excellency recently appointed the undersigned to be Commissioners under the name of the Halifax Relief Commission with power to take over and receive all unexpended moneys and goods contributed for the relief of the residents of Halifax, Dartmouth and vicinity who suffered by reason of the disaster of December sixth last and to expend and distribute the same equitably for the general purposes for which they were contributed subject to the direction of Your Excellency in Council.

Your Commissioners were also directed to enquire into and to report to Your Excellency respecting the following matters:—

First: As to the amounts presently available for aid and relief to those who have suffered by the disaster aforesaid and for the restoration of the property destroyed.

Second: As to the additional amount necessary for the purposes aforesaid and the sources from which any additional aid may be anticipated, other than a further appropriation by Your Excellency's Government.

Third: As to any further aid which, having regard to the circumstances aforesaid, ought to be appropriated by Your Excellency's Government for the purpose of aid and restoration.

Fourth: As to any legislation whether by the Federal Parliament or by the Provincial Legislature which may be necessary for the purposes hereinbefore expressed.

Fifth: As to any other matters touching the relief of those who have suffered from the disaster and as to the restoration of that part of the city which has been destroyed upon which the Commission may deem it advisable to express their conclusions to Your Excellency's Government.

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2. Your Commission entered upon their duties immediately upon receipt of Your Excellency's Commission and have been engaged both in administering the relief funds and in collecting the information necessary to enable them to report to Your Excellency in respect to the enquiries referred to.

3. Your Commissioners have concluded that, while it has been quite impossible during the period which has elapsed since their appointment to overtake completely the labours imposed upon them by the enquiries they have been called upon to make, it is advisable in the immediate circumstances to submit a preliminary report to Your Excellency outlining the situation generally and making certain recommendations which they think should be considered and adopted without delay, in order not only to assist your Commissioners in the immediate equitable distribution of the moneys already contributed, but also to enable them to report to the sufferers by the disaster as to what further measure of relief is to be anticipated by them, so that the work of restoration now so urgent can be undertaken with more certain knowledge of the available resources.

4. The contributions in cash received from all sources (other than from Your Excellency's Government) up to February 28th last amount to \$2,835,400, and it is anticipated that further subscriptions from the general public will not be more than \$200,000 in addition to the sum already subscribed, or in round figures a total public subscription of \$3,000,000. There has also been received the sum of \$1,000,000 advanced by Your Excellency's Government out of the sum of \$5,000,000 already appropriated for relief purposes. There has also been appropriated by the Imperial Government the sum of £1,000,000 sterling.

5. There has been expended under the direction of the voluntary committees in charge of general relief previously to the appointment of your Commissioners (including provision for unpaid liabilities of these committees and expenditures incurred by this Commission since their appointment) the sum of \$2,824,700. These moneys were expended and liabilities incurred for the immediate support and maintenance of families deprived of their breadwinners, the maintenance of emergency hospitals and shelters, for medical supplies and attendance, burial of the dead, construction of temporary houses and for various other forms of relief regarded as properly constituting a first charge on the general relief funds.

6. It is assumed by your Commissioners that there will be required for like purposes extending over the remainder of the calendar year a further sum of \$1,175,300, or in all a sum of \$4,000,000. This estimate does not take into account permanent repairs to damaged property nor the restoration of buildings or compensation for the destruction of other property.

7. There are various other funds which have not come into the hands of your Commissioners for administration, but which were appropriated by various organizations, associations and private donors for specific purposes. These contributions will assist in the general work of relief more especially in view of the efforts of your Commissioners toward co-ordination in the administration of these special funds with the general fund in order to avoid overlapping. But the general fund is not to any great extent affected by these special funds, with the notable exception, however, of the fund contributed by the residents of the State of Massachusetts, amounting approximately to the sum of \$500,000. This fund is administered by a committee of that state and a Halifax sub-committee, and is to be devoted, it is understood, to the refurnishing of homes the contents of which were destroyed by the disaster. Your Commissioners' labours in restoring these homes will therefore be materially aided by the work of this special organization.

There is also a special fund contributed for the relief of those blinded or whose eyesight is in danger of becoming seriously impaired, and certain moneys sent to the general relief fund have been earmarked also for this purpose.

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In preparing this report the existence of these funds and of all others which have not and will not come to the hands of your Commission for administration have been taken into account.

8. Your Commissioners have taken as efficient steps as have been practicable during the period which has elapsed since their appointment to ascertain the amount of the material loss to those whose property has been destroyed or damaged and to that end immediately after their appointment they constituted a competent Board of Appraisal, one of the members of which, at the suggestion of your Commissioners, was named by the Fire Insurance Underwriters. This Board has recently furnished to your Commissioners a preliminary appraisalment, which is necessarily in the nature of a careful estimate rather than a complete survey.

Your Commissioners are satisfied, however, that the figures submitted by this Board are sufficiently liberal to provide for the reasonable indemnification of all the losers for all direct and substantial loss which has been suffered.

9. This appraisalment which includes damaged property in the whole affected district—the City of Halifax, Town of Dartmouth, and portions of the surrounding Municipal districts—is as follows:—

Dwelling houses destroyed and damaged.. . . .	\$ 6,476,000
Contents.. . . .	3,330,000
	<u>\$ 9,806,000</u>
Schools.. . . .	342,000
Churches.. . . .	1,090,000
Charitable and other public institutions.. . . .	222,000
Business properties and merchandise.. . . .	1,041,000
Municipal and public buildings.. . . .	105,000
Manufacturing plants and "specials".. . . .	3,420,000
	<u>\$16,026,000</u>

The estimates of the damages to churches and manufacturing plants had been in part made by other appraisers before the appointment of the Board of Appraisal and owing to the importance of the prompt submission of this report these estimates were considered by the Board to be sufficiently correct for present purposes, but your Commissioners have satisfied themselves that the losses in respect of these two classes of property will be found to be considerably less than the amount indicated by these estimates and they feel safe in stating that the direct material loss occasioned by the disaster to the classes of property covered by the appraisalment is not likely to exceed the sum of \$15,000,000.

10. These estimates do not take into account the destruction of public property belonging to the Railway and Naval Service Departments of Your Excellency's Government nor do they include the loss to shipping in the harbour of Halifax. Your Commissioners have been unable to obtain at the date of this report an accurate account of these losses but they are of opinion that they may be safely estimated as not exceeding \$10,000,000. Inasmuch as the shipping losses must be substantially met by Marine and War Risk insurance and the restoration of public property is a matter in any event for Your Excellency's Government, your Commissioners have not thought it necessary to take into account these items of loss, except for the purpose of affording general information as to the extent of the whole loss which therefore they estimate (excluding any sums to provide for indemnification for loss of life and personal injury) at the sum of \$25,000,000.

11. Your Commissioners are of the opinion that a sustentation fund to provide for the support of those who have been maimed or otherwise injured and of those who have been deprived through the disaster of their bread winners should be a charge on the general relief funds now in the hands of your Commissioners subject only to the sums required for immediate and temporary relief in respect of which an estimate of

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\$4,000,000 has been made as stated in paragraph 6 of this report. Such provision must in the opinion of your Commissioners rank in priority to indemnification for material losses, and it is by reason of the necessity for the making of this provision either by the establishment of such a fund or by providing otherwise for the maintenance and care of the victims of the disaster that it is urgently submitted that a prompt decision be made by Your Excellency's Government as to the general policy to be adopted.

It is impossible at this date to determine with any degree of accuracy the amount of the capital sum necessary to be set aside to provide such a fund, but it is apparent in view of the foregoing statement of available funds and the amount required for emergency relief and to provide indemnity against the material losses incurred that the work of rendering material assistance toward the permanent repair of buildings and of provision for compensation for destroyed personal property and the restoration of demolished and burned buildings is difficult and almost impracticable if a partial distribution only is to be made on the basis of present resources.

12. Your Commissioners are of the opinion that in view of the circumstances surrounding the events of December sixth and in this report further alluded to the victims of the disaster should eventually be provided for on the general basis of the Orders in Council Establishing Military Pensions; and your Commissioners suggest that they be permitted to provide reasonable allowances during the current year with a view to the gradual adjustment of such allowances to the basis of that Act, and that they be authorized to make an announcement to the effect that dependents will be provided for accordingly subject to such modifications as may hereafter be deemed wise after due investigation by your Commissioners and upon further report.

13. Assuming that this policy is adopted by Your Excellency in Council your Commissioners will be in a position to announce that there is now available a sufficient fund to restore or provide compensation for the destroyed homes and contents and that there will be required an additional sum of approximately only \$6,000,000 to provide for the restoration of destroyed and damaged schools, churches, charitable and other institutions, business property, municipal buildings and manufacturing plants.

14. The position of holders of policies in fire insurance companies is a complicated and difficult one. It is understood that the underwriters have repudiated liability for all losses on the ground that the damages were caused not by fire but by explosion. Some of the policies of insurance by their terms clearly exclude loss occasioned by such a disaster; but in the case of the majority of the contracts the matter of liability is an open question. In cases where fire followed the explosion the insurance companies contend that the indemnity should be limited to the amount of the actual loss to the insured by fires which followed after the buildings were prostrated by the explosion. In a great many cases indemnity on such a basis would be inconsiderable in amount in proportion to the value of the property and the insurance at risk. The legal questions involved are, your Commissioners are advised, unusually difficult, and unless some common ground can be found the ensuing litigation is likely to be protracted and uncertain, and it will be unfortunate in the extreme if the small householder has to await the outcome of such litigation.

15. The Compensation Board constituted under The Nova Scotia Workmen's Compensation Act have assumed liability in respect of workmen who at the time of the accident were engaged in their usual avocations. It is stated that a capital sum of nearly \$1,000,000 will be required to meet the liability imposed by this Act upon industries of Nova Scotia which are charged with meeting by assessment the compensation provided for by the Act. While strictly speaking the words of the Act may cover the disaster of December sixth the proprietors of the industrial establishments of the province quite naturally contend that they should not be made to suffer by so unusual an event. Your Commissioners are inclined to accede to this view. On practical grounds it would appear to be inadvisable that those who become dependents

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by reason of the disaster should be dealt with by different boards and on different bases. The only practicable course would be the assumption by Your Excellency's Government of the care of these dependents in the manner already suggested.

16. Your Commissioners are of the opinion that there is no other source from which additional funds necessary may be expected other than a further appropriation by Your Excellency's Government or by Your Excellency's Government in association with those of the Allied Governments now at war. The disaster while perhaps in a sense attributable to negligence in navigation—a subject which is now pending before the courts of the province of Nova Scotia and upon which no comment can properly be made—was in the broader view an emergency of the war arising from the use of the harbour of Halifax by the Allied Governments for war purposes. It would appear therefore to your Commissioners that all direct and material losses should be met out of the public funds.

The moneys voluntarily and so generously contributed for the immediate relief of the sufferers have all been expended or pledged for the purposes intended by the donors—immediate emergent relief.

In view however of the considerations already alluded to which appear to be widely accepted by public opinion as sound and quite irrespective of the view of those who have suffered in the affected districts it appears to your Commissioners that these direct material losses should be the subject of compensation by the Government. Appeals for further voluntary aid could not be expected in the circumstances to be received by the public with favour.

17. Pending action by Your Excellency in Council upon this report Your Commissioners cannot advise as to the legislation, federal or provincial, which may be necessary for the effectual performance of their duties; and any further report as to other matters upon which it may be advisable to seek direction would appear to your Commissioners at the present moment to be premature.

Your Commissioners at this time beg to recommend to Your Excellency in Council:

(1) That the Government announce without delay or authorize your Commissioners to announce that the care of the dependents of those killed and disabled by the disaster and reasonable compensation to the injured will be undertaken in accordance with the suggestions set forth in the twelfth paragraph of this Report.

(2) That it should further be announced that direct and substantial material losses in amounts to be determined by your Commissioners or under their direction in view of all the attendant circumstances will be provided for in due course and that sufficient public appropriation will be made accordingly.

(3) That in view of the fact that in time of war the subjects of the state should be prepared to assume a reasonable share of the burdens common to all, provision should not be made for indirect and consequential damages except in cases where extreme hardship would arise from the disallowance of such damages. That in these circumstances such damages be allowed upon sufficient cause shown and upon special report of your Commissioners.

(4) That your Commissioners be authorized to enter into negotiations with the fire insurance underwriters with a view to the fair and equitable settlement of the claims against them on the basis of a contribution to the general relief fund or otherwise as to your Commissioners may seem fair and just in all the circumstances.

(5) That further reports in respect to the matters referred to your Commissioners be for the present deferred.

All of which your Commissioners submit for Your Excellency's consideration.

T. S. ROGERS, *Chairman.*

W. B. WALLACE.

F. L. FOWKE.

Dated at Halifax, N.S.,

March 1. 1918.

